



CLAIMS (As Amended For This RCE)

RCE Amended Claim 1. An article of manufacture, in the form of [A] a financial product, created with or without the use of a computer, to protect the value of residential real estate, comprising;

means in the form of financial business entities to administer the creation and distribution of said financial product, wherein said business entities functions comprise;

means to secure fractional ownership of said residential real estate, wherein said means is selected from a group comprising; a purchase or loan of said fractional ownership of said real estate, or a combination of both;

means to provide a form for said financial product, wherein;

said form is selected from a group comprising; deeds of fractional ownership of said real estate, fractional ownership mortgage-backed securities (MBS) of said real estate, loan notes of said fractional ownership of said real estate, insurance policies on said fractional ownership, or a combination of said forms;

means to provide for a source of funds to create and sell said financial products to public markets in forms selected from a group comprising;

exchange traded funds (ETFs), commodity futures, index funds, or annuities.

RCE Amended Claim 2. An article of manufacture, in the form of [A] a financial product, according to Claim 1, wherein said means to secure fractional ownership of said residential real estate is in the form of a direct purchase by said financial business entities of a fractional share from each participating residential real estate property owner, wherein said fractional purchases are secured by fractional deeds of trust on the purchased properties, and wherein;

any profit from the sale of a participating real estate property is disbursed in a manner selected from a group comprising; retention of all profit by said financial

business entities, or a sharing of profits above a set appreciation rate with said property owner as an inducement to participate in creating said financial product.

RCE Amended Claim 3. An article of manufacture, in the form of [A] a financial product, according to Claim 1, wherein said means to secure fractional ownership of said residential real estate is in the form of a loan note to said financial business entities of a fractional share from each participating residential real estate property owner, wherein said loan notes are secured by fractional deeds of trust on the purchased properties, and wherein;

any profit from the sale of a participating real estate property is disbursed in a manner selected from a group comprising;

return of said loan note to said property owner with no accrued interest or payment, or a sharing of profits from the sale of said property above a set appreciation rate with said property owner as an inducement to participate in creating said financial product.

RCE Amended Claim 4. An article of manufacture, in the form of [A] a financial product, according to Claim 1, wherein said means to secure fractional ownership of said residential real estate is selected from a group comprising;

a no-cost transfer to said financial business entities of a fractional share from each participating residential real estate property owner wherein said no-cost transfer of fractional deeds of trust on the purchased properties pays for insurance against loss of said owner property value, or;

payment of premiums to said financial business entities for insurance against loss of said owner property value, and wherein;

any profit from the sale of a participating real estate property is disbursed in a manner to provide an inducement to participate in creating said financial product, selected from a group comprising;

no return of the original value of said no-cost transfer of fractional deeds of trust on the purchased property if said property owner sells his property at a profit, or a sharing of profits from the

sale of said fractional deeds of trust on said property above a set appreciation rate with said property owner, or;
return of a fraction of said premiums for insurance against loss of said property.

RCE New Claim 5. An article of manufacture, in the form of a financial product according to Claim 1, created using the key equations identified in Figure 2 Item #1 and Item #2 which utilize the current U.S. Census Data version of Input Data identified in Figure 1 to estimate the Appreciation Trend Line shown in Figure #4, and the additional factors identified in Figure #3, and wherein;

said means to secure fractional ownership of said residential real estate is selected from a group comprising;

a direct purchase by said financial business entities of a fractional share from each participating residential real estate property owner secured by fractional deeds of trust on the purchased properties, or;

a loan note to said financial business entities of a fractional share from each participating residential real estate property owner that is secured by fractional deeds of trust on the purchased properties, or;

a no-cost transfer to said financial business entities of a fractional share from each participating residential real estate property owner wherein said no-cost transfer of fractional deeds of trust on the purchased properties pays for insurance against loss of said owner property value, or;

payment of premiums to said financial business entities for insurance against loss of said owner property value.

RCE New Claim 6. An article of manufacture, in the form of a financial product according to Claim 1, created using the following equations identified in the Specification, wherein;

$$\text{\$HPV} = \text{\$SP} - \text{\$PP} - \text{CI\%} * \text{\$PP} \quad \text{where}$$

$\text{\$SP}$ = home sale price after ownership period

$\text{\$PP}$ = home purchase price

CI\% = compound appreciation of area real estate index = $(1 + \text{I\%})^T$ (after T years).

The HAVEN return of value ($\text{\$HR}$) equation can be written as follows:

$$\text{\$HR} = \text{\$HYP} * T * \text{F\%}$$

$\text{\$HYP}$ = total yearly payments

T = years of payments

F% = fractional premium return rate (function of time and appreciation trend)

The factor F% determining the amount of premium return can take on several values:

For $\text{\$HPV} > 0$ (price appreciation above the average trend line) F% can be a function of several variables, is set by agreement with the buyer, but always ranges between 0 and 1. Usually F% would be = 0 in this case since the owner did better than average appreciation. Figure 4 area labeled "A" shows this case.

For $\text{\$HPV} = 0$ then $\text{F\%} = 0$ and $\text{\$HR} = 0$ (price appreciation was average).

For $\text{\$HPV} < 0$ then F% ranges linearly from 0 when appreciation is average, to 1 when there is no appreciation, and there is some premium return ($\text{\$HR} > 0$). Figure 4 area labeled "B" shows this case.

The final case is when the homeowner shows a loss on the sale of the home, that is, when $(\text{\$SP} - \text{\$PP}) < 0$, then the return $\text{\$HR} = (\text{\$PP} - \text{\$SP})$ which guarantees that the homeowner

suffers no loss of principle on the sale. Another option is to collect the premium in a lump sum, but this usually will increase the mortgage value (if the owner can't come up with the extra money), upon which the homeowner is paying interest charges.